

ATTORNEYS AT LAW

Reply To WESTON ADAMS, III Direct Dial: (803) 227-2322 wadams@mgclaw.com COLUMBIA

February 2, 2006

## VIA HAND DELIVERY

Charles L.A. Terrini, Esquire Chief Clerk and Administrator Public Service Commission of South Carolina 101 Executive Center Dr., Suite 100 Columbia, SC 29210

RE:

Aero Communications, LLC Application for CLEC/IXC Authority from the South

Carolina Public Service Commission

Docket No.:2006-18-C Our File No.: 20587.05006

Dear Mr. Terrini:

Enclosed for filing please find an original and twenty-six (26) copies of the Direct Testimony of Applicant's President Todd Heinrich, as was requested in your January 23, 2006, letter. Please file the same and return one clocked-in copy to my courier.

Yours truly,

Weston Adams, III'

WA/djw Attachment

cc:

C. Lessie Hammond, Esquire

Mr. Brian Waid

Andrew Ganz, Esquire

RETURN DATE: D. DUKE SERVICE: M. D. DUKE

# BEFORE THE PUBLIC SERVICE COMMISSION OF SOUTH CAROLINA

In the Matter of the Application of	)
Aero Communications, LLC for a Certificate of	Ó
Public Convenience and Necessity	)
	)

PREFILED TESTIMONY OF TODD HEINRICH FILED ON BEHALF OF AERO COMMUNICATIONS, LLC

Q: PLEASE STATE YOUR NAME, TITLE, AND BUSINESS ADDRESS FOR THE RECORD.

A: My name is Todd Heinrich and I am President of Aero Communications, LLC (hereinafter "Applicant"). The company's address is 1301 Broadway, Suite 26.

Paducah, Kentucky 42001.

Q: WHAT ARE YOUR CURRENT JOB RESPONSIBILITIES?

A: In my capacity as President of Applicant, I am ultimately responsible for all operations of the company. This includes its market entry strategy, obtaining financing, network configuration, sales and marketing, and back office set-up.

Q: PLEASE GIVE A BRIEF DESCRIPTION OF YOUR BACKGROUND AND EXPERIENCE.

A: I graduated from the Southern Illinois University in 1987 with a Bachelor's of Science in Electrical Engineering Technology. Upon graduation, I obtained a position with Ingersoll Milling Machine Company. My duties and responsibilities there included engineering, installation and maintenance of Large Scale machine tools to customers such as Caterpillar, Boeing, Honda, and Toyota Motor companies. A major focus of my job

activities there were computer data centers, computer numerical controllers (CNC) and networking.

I have over 15 years experience in telecommunications. I have been with Aero since its inception in 1998; I built Heartland/Aero from the ground up with expertise in all areas of switching, routing, Internet Protocol, software/hardware design, marketing, and customer development. Heartland began in my basement and has grown to near 50 employees with combined revenues in excess of \$ 3 million/year.

Currently, Heartland/Aero has over 5,000 subscribers ranging from dial-up internet to Fiber-to-the-Business subscribers and standard POTS line customers to businesses using custom designed solutions such as a hosted PBX over VoIP. I am responsible for the day to day operations of the company, and I have designed and provided oversight for expansion into all growth areas of the business including:

- A 45 Mbps wireless backbone covering most of Western Kentucky and Southern Illinois;
- A successful partnering with a local utility to build out a Gigabit Ethernet Loop, providing next generation connectivity to businesses and residential customers in Western Kentucky;
- Successful VoIP and custom PBX solutions;
- Strategic Operations with AT&T for multi-state network platforms;
- Six years of Class 4 / Class 5 Switch Experience;
- Four Years experience in Fiber Optic Network and WDM technology.

#### Q: WHAT IS THE PURPOSE OF YOUR TESTIMONY?

A: The purpose of my testimony is to support Aero Communications, LLC's Application for a Certificate of Public Convenience and Necessity to provide facilities-based local and interexchange telecommunications services within the State of South Carolina.

Q: ARE YOU FAMILIAR WITH THE APPLICATION FILED ON YOUR COMPANY'S BEHALF AT THIS COMMISSION?

A: Yes.

- Q: DO YOU RATIFY AND CONFIRM THE STATEMENTS MADE IN THAT APPLICATION AND ALL RELATED FILINGS?
- A: Yes.
- Q: PLEASE DESCRIBE THE CURRENT OPERATIONS OF AERO COMMUNICATIONS, LLC
- A: Aero currently offers residential and business end users the opportunity to originate and terminate local and long distance telephone calls to other end users through access to the local exchange network in Kentucky and Illinois. The local exchange services Aero provides enable end users to select the long distance carrier of their choice. Aero offers local exchange services by installing and collocating its switching and ancillary equipment in the central offices of incumbent local exchange carriers. Aero has also, from time to time, purchased unbundled network elements and has resold the services of other certificated carriers. Aero also offers long distance services—both intra and inter-LATA—to business and residential customers through the use of its own switching facilities and the resale of services of other certificated carriers.
- Q: HAS AERO COMMUNICATIONS, LLC IN THE PAST, OR IS IT CURRENTLY, PROVIDING ANY TELECOMMUNICATIONS SERVICES IN SOUTH CAROLINA?
- A: No.

Q: PLEASE DESCRIBE THE MANAGERIAL ABILITIES OF THE APPLICANT.

A: Applicant has a team of managers and support personnel qualified to operate a communications business. Aero's Operations Manager, Brian Waid, has been with the company for over 15 years. Among other things, he is responsible for all POPs, POIs, CLLI codes, obtaining NPA/NXXs, OCNs and ACNA, staffing and providing training for staff in all areas of ordering and customer support including but not limited to UNEs, LSR and ASR Processes and vendor negotiation and design of E-911 solutions for all phones services, inclusive of VoIP, and complete with a National Intrado PSAP network Integration. Our Software Development Manager, Grant Copley, co-designed, programmed and implementated an in-house, web based, enterprise software solution used for all areas of Heartland/Aero business including Order Entry, Billing and Accounts Receivable, Accounts Payable, General Ledger, Purchasing, Sales and Quotes. Quality and Service Orders, and Contact Management. He has tremendous expertise and experience in software development, and also staffs and trains our software development group. Brad Housewright, Aero's General Manager came to us after we acquired the Internet Service Provider that he owned and operated in Southern Illinois. He is responsible for business development; customer Service function and Marketing and Advertising, among many other duties. Finally, Robert Stivers, a Certified Public Accountant and our Chief Financial Officer possesses over 15 years experience as a business analyst, manager and director in Corporate Development, Planning and Analysis, Information System Design and Implementation, as well as Controllership functions in Accounting for both small companies and Fortune 500 companies.

Through the above-described experience, Applicant expects to immediately begin successful operations for this new telecommunications carrier.

- Q: PLEASE DESCRIBE THE APPLICANT'S FINANCIAL ABILITY TO PROVIDE SERVICE.
- A: Aero has access to significant capital, and is a highly profitable company.

  Applicant is already financially strong and independent. I have supplied the Commission with detailed information about Aero's finances (Exhibit E of Aero's Application).
- Q: DOES APPLICANT CURRENTLY PROVIDE TELECOMMUNICATIONS SERVICE IN ANY OTHER STATES OR HAVE APPLICATIONS PENDING?
- A: Applicant currently provides service in Kentucky and Illinois. We also, have been approved to provide service in Florida, Colorado, Indiana, Kansas, Nebraska, Ohio, Texas, West Virginia and Wisconsin, but have not yet begun to provide service in those states. We have applications pending in Arkansas, Georgia, Louisiana, Missouri, North Carolina and South Carolina.
- Q: HAS APPLICANT OR ANY AFFILIATED ENTITY EVER BEEN DENIED CERTIFICATION IN ANOTHER STATE?
- A: No.
- Q: HAS APPLICANT OR ANY OF ITS AFFILIATES EVER BEEN SUBJECT TO ANY FEDERAL OR STATE INVESTIGATION REGARDING ITS SERVICES?

- A: No.
- Q: PLEASE DESCRIBE THE SERVICES APPLICANT INTENDS TO PROVIDE IN SOUTH CAROLINA.
- A: Applicant will be providing local exchange, intraLATA toll, and interLATA interexchange services in South Carolina.
- Q: WILL APPLICANT BE OFFERING ANY PREPAID OR DEBIT-TYPE CALLING CARDS?
- A: No.
- Q: PLEASE DESCRIBE THE FACILITIES APPLICANT INTENDS TO USE IN PROVIDING ITS PROPOSED SERVICES.
- A: All services provided by Applicant will be facilities-based. These facilities will use existing structures and as such will not result in any environmental damage. Aero proposes to offer local exchange services by installing and collocating its switching and ancillary equipment in the central offices of incumbent local exchange carriers.
- Q: WILL APPLICANT USE TELEMARKETING TO SELL ITS SERVICES.
- A: No.
- Q: HOW WILL APPLICANT HANDLE CUSTOMER SERVICE MATTERS?
- A: Applicant will provide the outstanding customer service via a state of the art back office system. Any disputed bills will be handled expeditiously via Applicant's toll-free

number. If the dispute can not be resolved to the customer's full satisfaction, customer service representatives will notify the customer of his/her right to file a complaint at the Public Service Commission of South Carolina.

Q: WHICH CARRIERS WILL SERVE AS YOUR UNDERLYING CARRIERS?

A: For local exchange services, Applicant will be working with incumbent local exchange carriers such as United Telephone Company ("Sprint") and BellSouth Telecommunications, Inc. ("BellSouth"), and other incumbent local exchange carriers that are required to engage in interconnection agreements with competitive carriers. For interexchange services, Applicant is working with Global Crossing, Level 3 Communications, and is considering other certificated carriers.

Q: HAS YOUR COMPANY BEGUN INTERCONNECTION NEGOTIATIONS WITH ANY INCUMBENT LOCAL EXCHANGE CARRIERS?

A: Yes, we have contacted Sprint and BellSouth to begin interconnection negotiations and are currently reviewing recently approved interconnection agreements.

Q: WILL YOU REMAIN AVAILABLE TO RESPOND TO ANY ADDITIONAL OUESTIONS REGARDING THIS APPLICATION?

A: Yes.

Q: DOES THIS CONCLUDE YOUR TESTIMONY?

A: Yes.

#### **BEFORE**

## THE PUBLIC SERVICE COMMISSION OF

#### **SOUTH CAROLINA**

## **DOCKET No. 2006-18-C**

IN RE:

In the Matter of the Application of	CERTIFICATE OF		
Aero Communications, LLC )	SERVICE		
For a Certificate of Public Convenience and )	33	3	
Necessity to Provide Local Exchange and )		$\sim$	끔
Interexchange Telecommunications Services)	) E	8	7
Throughout South Carolina, for Modified )		-2	TT
Alternate Regulation for Interexchange )			i i i i i i i i i i i i i i i i i i i
Business Services As Approved in Dockets )		골	
No. 95-661-C and 2000-407-C, and for )		بب	
Flexible Rate Structure for Local Exchange )		24	"The constraint
Service Offerings as First Approved in )	, , ,		
Docket No. 97-467-C			

I hereby certify that I have this 2nd day of February, 2006 served a copy of the Direct Testimony of Applicant's President, Todd Heinrich by mailing a copy of same, postage prepaid, in the United States mail, with sufficient postage affixed as follows:

C. Lessie Hammond, Esquire South Carolina Office of Regulatory Staff P.O. Box 11263 Columbia, SC 29211

Deborah J. Windsor

Legal Assistant to Weston Adams, III